



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

15 August 2011

ANNOUNCEMENT

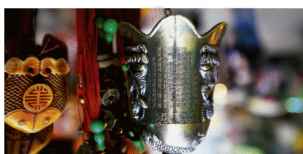
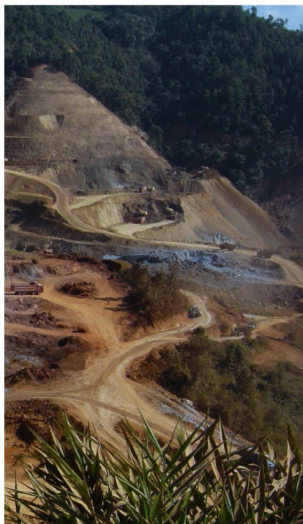
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DISCLOSEABLE TRANSACTION: ACQUISITIONS OF AND SUBSCRIPTION FOR SHARES IN AVION GOLD CORPORATION AND RECENT MARKET VOLATILITY

SUMMARY

This announcement is made by the Company in compliance with the disclosure requirements under Chapter 14 of the HK Listing Rules.

The Company is pleased to announce that on 9 August 2011, it further acquired 500,000 AVR Shares on market at an average price of C\$2.01 (or approximately US\$2.04 or HK\$15.91) per AVR Share, representing approximately 0.12 per cent of the existing issued share capital of Avion Gold, for an aggregate cash consideration of C\$1,003,896 (or approximately US\$1,016,746 or HK\$7,930,619).





On 12 August 2011 (after market close in Hong Kong), the Company executed a firm commitment with Canaccord Genuity Corporation, as the co-lead manager of the AVR Placing, pursuant to which it agreed to subscribe for 2,415,000 new AVR Shares being offered under the AVR Placing at the price of C\$2.07 (or approximately US\$2.10 or HK\$16.38) per AVR Share, for an aggregate cash consideration of C\$4,999,050 (or approximately US\$5,063,038 or HK\$39,491,696). The 2,415,000 new AVR Shares subscribed for by the Company under the AVR Placing represent: (i) approximately 0.56 per cent of the issued share capital of Avion Gold as enlarged by the AVR Placing, assuming no exercise of the Over-Allotment Option; and (ii) approximately 0.55 per cent of the issued share capital of Avion Gold as enlarged by the AVR Placing, assuming full exercise of the Over-Allotment Option.

Prior to the above-referenced acquisition and subscription, the Company acquired, during the period from 18 August 2010 to 15 March 2011, an aggregate of 7,736,500 AVR Shares on market at an average price of C\$0.88 (or approximately US\$0.89 or HK\$6.94) per AVR Share, representing approximately 1.89 per cent of the existing issued share capital of Avion Gold, for an aggregate cash consideration of C\$6,795,107 (or approximately US\$6,882,084 or HK\$53,680,255).

Following the on-market acquisition on 9 August 2011 and before taking into account the subscription under the AVR Placing, the Company holds 8,236,500 AVR Shares, representing approximately 2.01 per cent of the existing issued share capital of Avion Gold, which were acquired during the last 12 months on market for an aggregate cash consideration of C\$7,799,003 (or approximately US\$7,898,830 or HK\$61,610,874). In respect of this holding, the Company is currently enjoying an unrealized gain before expenses of approximately C\$9,580,012 (or approximately US\$9,702,636 or HK\$75,680,561), calculated by deducting the acquisition costs from the aggregate value of such holding based on the closing price of AVR Shares on the TSX on 12 August 2011. The total unrealized gain represents a 123 per cent return on the investment.

On completion of the AVR Placing, the Company will hold, in aggregate, 10,651,500 AVR Shares, representing: (i) approximately 2.45 per cent of the issued share capital of Avion Gold as enlarged by the AVR Placing, assuming no exercise of the Over-Allotment Option; and (ii) approximately 2.43 per cent of the issued share capital of Avion Gold as enlarged by the AVR Placing, assuming full exercise of the Over-Allotment Option.

The acquisitions of and subscription for, in aggregate, 10,651,500 AVR Shares to date, together, constitute a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.



This announcement is made by the Company in compliance with the disclosure requirements under Chapter 14 of the HK Listing Rules.

Acquisitions of and subscription for shares in Avion Gold

1. Further acquisition and subscription

(a) On-market acquisition

The Company is pleased to announce that on 9 August 2011, it further acquired 500,000 AVR Shares on market at an average price of C\$2.01 (or approximately US\$2.04 or HK\$15.91) per AVR Share, representing approximately 0.12 per cent of the existing issued share capital of Avion Gold, for an aggregate cash consideration of C\$1,003,896 (or approximately US\$1,016,746 or HK\$7,930,619).

(b) Subscription under AVR Placing

On 12 August 2011 (after market close in Hong Kong), the Company executed a firm commitment with Canaccord Genuity Corporation, as the co-lead manager of the AVR Placing, pursuant to which it agreed to subscribe for 2,415,000 new AVR Shares being offered under the AVR Placing at the price of C\$2.07 (or approximately US\$2.10 or HK\$16.38) per AVR Share, for an aggregate cash consideration of C\$4,999,050 (or approximately US\$5,063,038 or HK\$39,491,696). The 2,415,000 new AVR Shares subscribed for by the Company under the AVR Placing represent: (i) approximately 0.56 per cent of the issued share capital of Avion Gold as enlarged by the AVR Placing, assuming no exercise of the Over-Allotment Option; and (ii) approximately 0.55 per cent of the issued share capital of Avion Gold as enlarged by the AVR Placing, assuming full exercise of the Over-Allotment Option.

Avion Gold has granted the Over-Allotment Option to the Underwriters, exercisable at the offer price of C\$2.07 (or approximately US\$2.10 or HK\$16.38) per AVR Share at any time until 30 days following completion of the AVR Placing, to purchase an additional 15 per cent of the new AVR Shares being offered under the AVR Placing to cover the over-allotments (if any).

It is expected that the AVR Placing will complete on or around 31 August 2011 and that trading in the relevant new AVR Shares on the TSX will commence on 31 August 2011.



The new AVR Shares allotted and issued under the AVR Placing will, when issued, rank *pari passu* in all respects with the existing issued shares of Avion Gold, including the right to receive any dividends and other distributions declared following their admission to the TSX.

There are no restrictions to the subsequent sale of any of the new AVR Shares subscribed for by the Company under the AVR Placing on the TSX.

2. Previous holding

Prior to the above-referenced acquisition and subscription, the Company acquired, during the period from 18 August 2010 to 15 March 2011, an aggregate of 7,736,500 AVR Shares on market at an average price of C\$0.88 (or approximately US\$0.89 or HK\$6.94) per AVR Share, representing approximately 1.89 per cent of the existing issued share capital of Avion Gold, for an aggregate cash consideration of C\$6,795,107 (or approximately US\$6,882,084 or HK\$53,680,255).

Following the on-market acquisition on 9 August 2011 and before taking into account the subscription under the AVR Placing, the Company holds 8,236,500 AVR Shares, representing approximately 2.01 per cent of the existing issued share capital of Avion Gold, which were acquired during the last 12 months on market for an aggregate cash consideration of C\$7,799,003 (or approximately US\$7,898,830 or HK\$61,610,874).

In respect of the Company's existing holding (before taking into account the subscription under the AVR Placing), the Company is currently enjoying an unrealized gain before expenses of approximately C\$9,580,012 (or approximately US\$9,702,636 or HK\$75,680,561), calculated by deducting the acquisition costs from the aggregate value of such holding based on the closing price of AVR Shares on the TSX on 12 August 2011. The total unrealized gain represents a 123 per cent return on the investment.

On completion of the AVR Placing, the Company will hold, in aggregate, 10,651,500 AVR Shares, representing: (i) approximately 2.45 per cent of the issued share capital of Avion Gold as enlarged by the AVR Placing, assuming no exercise of the Over-Allotment Option; and (ii) approximately 2.43 per cent of the issued share capital of Avion Gold as enlarged by the AVR Placing, assuming full exercise of the Over-Allotment Option.

The acquisitions of and subscription for, in aggregate, 10,651,500 AVR Shares to date, together, constitute a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.



Basis of consideration

The consideration for the on-market acquisitions was determined on the basis of normal commercial terms and arm's length transactions by on-market trades.

The subscription of 2,415,000 new AVR Shares under the AVR Placing was determined on the basis of normal commercial terms and arm's length negotiations between Canaccord Genuity Corporation, on the one hand, and the Company, on the other, in conjunction with the AVR Placing by reference to the then market price of AVR Shares, with the subscription price of C\$2.07 per AVR Share representing a discount of approximately 2 per cent to the closing price of C\$2.11 of AVR Shares on TSX on 12 August 2011.

In respect of the Company's interest in Avion Gold, the Company's attributable share (being 2.45 per cent after the closing of the AVR Placing, assuming no exercise of the Over-Allotment Option) of Avion Gold's: (i) net profit for the financial year ended 31 December 2010 from continued operations is US\$770,707 (or approximately HK\$6,011,515); and (ii) net profit for the financial year ended 31 December 2009 from continued operations is US\$63,631 (or approximately HK\$496,322), both before and after taxation and extraordinary items.

The net asset value of Avion Gold was US\$209,490,714 (or approximately HK\$1,634,027,569) as at 31 December 2010, as reported in Avion Gold's latest publicly disclosed annual financial statements for the year ended 31 December 2010.

Principal business activities of Avion Gold

Avion Gold is a Canadian-based gold mining company focused in West Africa and has 3 distinct project areas in Mali and Burkina Faso:

- Tabakoto and Segala Project, Mali
- Kofi Project, Mali
- Hounde Project, Burkina Faso

The company's flagship projects are the 80 per cent owned Tabakoto and Segala, which were purchased by Avion Gold in May 2008. Following this acquisition, Avion Gold recommissioned the mill, developed the Segala open pit and production recommenced in February of 2009. The current gold production rate is approximately 100,000 ounces per annum (achieved 87,630 ounces in 2010 during ramp-up) and the longer term goal of the company (as announced on its website) is to ramp-up production to 200,000 ounces per annum in 2012 with the commencement of underground operations at Tabakoto.



The Kofi Project was acquired by Avion Gold in December of 2010 (81.25 per cent interest), comprising a 476 km² property package. The project is located approximately 25 kilometres northwest of Tabakoto's mine infrastructure and hosts a current NI43-101 compliant resource of 670,000 ounces of gold.

The Hounde Project was acquired by Avion Gold in October of 2010 from Avocet Mining plc (100 per cent interest), comprising a 1,670 km² property package in Burkina Faso. Avion Gold quickly established an indicated and inferred resource of 610,000 ounces of gold within the property and continues exploration on the property with an aim to increase the resource to over 1 million ounces in 2011.

Avion Gold is a public company dually listed on the TSX (TSX: AVR) and on the OTCQX (OTCQX: AVGCF) with a market capitalization of approximately C\$866 million as of 12 August 2011.

Further information on Avion Gold can also be found on its website www.aviongoldcorp.com.

Use of proceeds by Avion Gold

The net proceeds of the AVR Placing will be used by Avion Gold for acceleration of its exploration programme, debt repayment and general corporate purposes.

Reasons for acquisitions of shares in Avion Gold

Gold remains a target commodity for the Company and, in keeping with the Company's recent investment in Goldrich Mining Company (as announced by the Company on 1 August 2011), the Company considers an increased exposure to be sensible in light of the continuing economic uncertainty associated with the sovereign debt problems in the United States and in Europe, together with the pace of credit tightening in developing countries, especially China, as these countries address inflationary threats.

While the Company's holding in Avion Gold, in percentage terms, is relatively small, the Company has enjoyed significant financial returns to date from its existing investment in Avion Gold, referred to above in the section titled "Previous holding".

Representatives of the Company have conducted extensive due diligence on a number of West African gold assets and have attended Avion Gold's operations on a site visit. In the Company's opinion, the combination of Avion Gold's existing and increasing gold production and concurrent, but equally aggressive, exploration programme, enable Avion Gold to take full advantage of the prevailing gold prices, while further increasing its gold resource/ore reserve, in a fully funded and controlled manner. Based on publicly available information, the Company



considers Avion Gold to be undervalued against its peers given its projected ramp up in production to 200,000 ounces per annum in 2012, from 100,000 ounces, and the potential growth in its resource and ore reserve. The Company is therefore optimistic that it will continue to achieve attractive returns on this investment.

The Directors consider the above-referenced acquisitions and subscription to be on normal commercial terms and in the ordinary and usual course of business of the Company. They believe that the terms of the acquisitions and subscription referred to above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Source of funds

The acquisition costs in respect of the AVR Shares were paid from the working capital of the Company.

Discloseable transaction

In view of the fact that the aggregate amount of consideration paid and payable by the Company for the above-referenced acquisitions and subscription of an aggregate of 10,651,500 AVR Shares, being C\$12,798,053 (or approximately US\$12,961,868 or HK\$101,102,570), exceeds 5 per cent but is less than 25 per cent of the Company's market capitalization, the above-referenced acquisitions and subscription, in aggregate, constitute a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

The purpose of this announcement is to provide the Shareholders with information on the details of the above-referenced acquisitions and subscription in accordance with the HK Listing Rules.

Not a connected transaction

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Canaccord Genuity Corporation, Avion Gold, the counterparties to the on-market acquisitions of AVR Shares and their respective beneficial owner(s) and associate(s), is a third party independent from the Company and is not a connected person of the Group.

Principal business activities of the Company

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange. The Company is a diversified mining group focused, primarily, on the Asian region. While it explores for and mines copper, zinc, gold,



silver, lead and thermal coal, it also has passive interests in a number of mining companies, including BC Iron Limited (22.87%) and Venturex Resources Limited (25.92%). Its principal assets are located in Yunnan Province and Inner Mongolia, China.

Recent market volatility

As has been widely covered across the local and international financial media, global financial markets are currently experiencing levels of volatility not seen since the global financial crisis of late 2008 and 2009, driven largely from significant macro economic imbalances being the sovereign debt problems in the United States and in Europe and the pace of credit tightening in developing countries, especially China, as these countries address inflationary threats.

In light of the Company's significant investments in listed securities of companies engaged in the mining sector, comprising both liquid and illiquid positions, the Company is continuing to closely monitor the markets and manage its investments as it does in the ordinary discharge of its business.

To date, the aggregate value of the Company's existing investment portfolio of listed securities, while fluctuating daily with the markets as they are being marked-to-market, has not suffered any material and adverse impact from the recent events and associated volatility. However, should this change, the Company will update investors and Shareholders accordingly.

Importantly, commodity prices during the first half of 2011 averaged considerably higher than in 2010, which was primarily due to strong demand from China, a weaker US dollar, low interest rates and increasing commodity supply constraints. The Company continues to be debt free with over US\$200 million (or approximately HK\$1,560 million) in cash and listed securities as at 30 June 2011. Consequently, the Company is carefully analysing global equity markets for potential acquisition opportunities, where mining related equities have been, in the Company's opinion, oversold when viewed against the strength of its underlying commodity(ies).

The Company's recent investments in Goldrich Mining Company and Avion Gold represent examples of such investment opportunities.

Notwithstanding the above, the Company does caution any dealing in its Shares while general market uncertainty and volatility continues.



Definitions

In this announcement, the following expressions have the following meanings unless the context require otherwise:

“associate(s)”	shall have the meaning defined in the HK Listing Rules
“Avion Gold”	Avion Gold Corporation, a Canadian-based public company, the shares of which are dually listed on the TSX (TSX: AVR) and the OTCQX (OTCQX: AVGCF)
“AVR Placing”	the public offering of up to: (i) 24,200,000 new AVR Shares at C\$2.07 (or approximately US\$2.10 or HK\$16.38) per AVR Share, as announced by Avion Gold on 11 August 2011 (Canadian time), to raise up to C\$50,094,000 (or approximately US\$50,735,203 or HK\$395,734,583), assuming no exercise of the Over-Allotment Option; or (ii) 27,830,000 new AVR Shares at C\$2.07 per AVR Share to raise up to C\$57,608,100 (or approximately US\$58,345,484 or HK\$455,094,775), assuming the Over-Allotment Option is exercised in full
“AVR Share(s)”	the listed common shares, without par value, in the capital of Avion Gold
“Board”	the board of directors of the Company
“C\$”	Canadian dollars, the lawful currency in Canada
“China”	Peoples’ Republic of China
“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
“connected person(s)”	shall have the meaning defined in Chapter 14A of the HK Listing Rules
“Director(s)”	the directors of the Company



“HK Listing Rules”	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“OTCQX”	the Over the Counter Qualified Exchange of the United States
“Over-Allotment Option”	the option granted by Avion Gold to the Underwriters, exercisable at the offer price of C\$2.07 (or approximately US\$2.10 or HK\$16.38) per AVR Share at any time until 30 days following completion of the AVR Placing, to purchase an additional 15 per cent of the new AVR Shares being offered under the AVR Placing to cover the over-allotments (if any)
“Shareholder(s)”	the holders of the Shares
“Share(s)”	the ordinary shares, with voting rights, of US\$0.01 each in the capital of the Company, which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
“TSX”	the Toronto Stock Exchange
“Underwriters”	the Underwriters of the AVR Placing, with National Bank Financial Inc. as the lead underwriter
“US\$”	United States dollars, the lawful currency in the United States

Note: Unless otherwise specified herein, (i) amounts denominated in C\$ have been translated, for the purpose of illustration only, into US\$ using the exchange rate of C\$1.00 = US\$1.0128; and (ii) amounts denominated in US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.80.

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director



Directors of the Company:

James Mellon (*Co-Chairman*)^{*}

Stephen Dattels (*Co-Chairman*)^{*}

Jamie Gibson (*Chief Executive Officer*)

David Comba[#]

Julie Oates[#]

Mark Searle[#]

Jayne Sutcliffe^{*}

^{*} *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 15 August 2011